

Tuesday 5 February 2019

MEDIA STATEMENT FINANCIAL SERVICES ROYAL COMMISSION

The Final Report of the Financial Services Royal Commission released to the public on 4 February has delivered 76 recommendations for reform in the financial services sector. These recommendations are designed to curb “behaviour driven by greed” which was exposed at the major banks’ during the Royal Commission.

Newcastle Permanent has not been directly involved in the Royal Commission because our customer-owned banking model and service-oriented culture delivers better outcomes for customers and the communities we are part of.

Newcastle Permanent acting CEO Mark Williams said we’ve worked hard to embed our organisation’s core values within our culture and ensure we remain true to them. In short, we put people before profit and we always have, for more than 115 years.

“The reputational and financial costs associated with the Royal Commission will also be significant, particularly for the major banks, and it is likely to erode some of the trust and loyalty amongst some of their customers, at least in the short term,” Mr Williams said.

“Customers of the big banks should know there is a viable and better banking alternative and that is Newcastle Permanent. In our customer-owned banking model it is clear who we are working for. We reinvest all our profits back into the business for the benefit of our customers through more competitive interest rates, lower fees and better services.”

“Although we applaud the intent of the regulatory reforms outlined in the Final Report in curbing the poor practices and behaviors at the major financial institutions, it would be unfortunate if customer-owned financial institutions like Newcastle Permanent, became the unintended targets of these reforms.

“It is also important to ensure that policy, like the recommendations related to the mortgage broking remuneration structure, do not inadvertently reduce competition. Mortgage Brokers are an important distribution channel for customer-owned organisations that do not have direct access to some markets.”

<ENDS>

Media enquiries: Brett Lavaring
Mobile: 0448 262 939

